



INDIAN SCHOOL MUSCAT
SENIOR SECTION
DEPARTMENT OF COMMERCE AND HUMANITIES
CLASS XII
BUSINESS STUDIES
SAMPLE PAPER -1 UNSOLVED



MARKS: 80

Date:

TIME ALLOWED: 3 Hrs.

General Instructions:

1. Attempt all parts of a question together.
2. Answer to questions carrying 1 mark may be from one word to one sentence
3. Answer to questions carrying 3 marks may be from 50-75 words
4. Answer to questions carrying 4-5 marks may be about 150 words
5. Answer to questions carrying 6 marks may be about 200 words.
6. All questions are compulsory.

Q. No.	Questions	Marks
1	What is meant by 'Feedback' in the concept of communication ?	1
2	'Maintaining labour relations and union-management relations' is one of the specialised activities performed by Human Resource Management. Mention any two other specialised activities of Human Resource Management.	1
3	Define 'Financial Management'	1
4	How does 'Cost of Debt' affect the capital structure of a company ? State.	1
5	Why do employees become lethargic when the organization uses internal sources of recruitment ? State.	1
6	Give two characteristics of 'Organizational Climate' that influence the behaviour of individuals and act as a non-financial incentive.	1
7	Why do employees become lethargic when the organization uses internal sources of recruitment ? State.	1

- 8 Kritika is posted at Lower Level Management at 'Libra Cosmetics Pvt. Ltd.' The daily sale of the company is about Rs. 50 lac only. The company has given her the responsibility that the production work of the company should continue uninterrupted. The Managing Director has asked her to focus her attention especially on the speed and quality of production. She is doing her job efficiently. Her reputation is that of a successful leader. She takes every decision after discussing it with all the concerned persons. Her subordinates are very happy with her. Identify the leadership style adopted by Kritika. 1
- 9 The General Manager of 'Dehradun Wood Pvt. Ltd. called a meeting of Production Manager sales manager of both his company. He explained to them that both of these departments are the basis of the company's success. Therefore, it is very necessary for both of them to work with coordination. Also they were told that whatever decisions they took for their respective departments, which could affect others, they must give its information to them immediately. They did the same. As a result of this, there never arose a situation in the company, when the sales orders could not be complied with because of the shortage of goods. 3
- Do you think the Production Manager is "effective"? Give reason in support of your answer.
- 10 Wazir Ahmed joins 'Ashiyana Ltd.' a company dealing in real estate, a human resource manager. Through a series of interactions with his team during lunch breaks, he comes to know that quite a few managers at middle and senior levels have recently left the organisation as their promotions were overdue. Therefore, in order to reinstate the confidence of the staff, he lays out a clear cut plan consisting of a set of general guidelines for both time bound and performance related appraisals of the managers at all levels. Moreover, he develops standardized processes containing a series of steps specified in a chronological order for its implementation. 3
- In context of the above case:
Identify the two different types of plans that Wazir Ahmed proposes to implement in order to instate the confidence of the staff by quoting line from the paragraph.
- 11 Neha runs a factory wherein she manufactures shoes. The business has been doing well and she intends to expand by diversifying into leather bags as well as western formal wear thereby making her company a complete provider of corporate wear. This will enable her to market her business unit as the one stop for working women. Which type of structure would you recommend for her expanded organisation and why? 3
- 12 What is determined by 'Fatigue Study' ? 3
- 13 Crackers Ltd., a fire-cracker manufacturing company launched some new products on the eve of Diwali in the market, which attracted many buyers. To meet the increased demand the company employed children from nearby villages. Although the products were in great demand, appropriate safety warnings for use were not mentioned on the labels, which led to many accidents. 3

- (i) Identify and explain the important product related decision that was not taken into consideration by the company.
- (ii) Also state any two values which were violated by the company.
- 14 How are consumer grievances redressed by the three-tier machinery under Consumer Protection Act, 1986 ? Explain. 4
- 15 Kavya is working in a company on permanent basis. As per the job agreement she had to work for 8 hours a day and was free to work overtime. Kavya worked overtime. But even after working for long hours and putting in her best efforts, no recognition was given to her by her boss. Due to overtime she fell ill and had to take leave from her work. No one showed concern and enquired about her health. She realised that she was fulfilling only some of her needs while some other needs still remained to be fulfilled. 4
- (i) Identify and explain the needs of Kavya discussed in the above para, by quoting the lines.
- (ii) Also explain two other needs of Kavya followed by the above needs, which still remained to be satisfied.
- 16 Explain any three semantic barriers to effective communication. 4
- 17 'Financial Market plays an important role in the allocation of scarce resources in an economy by performing various functions.' Explain any three such functions of financial market. 4
- 18 Aman a degree holder in Entrepreneurship came to know about Piplantri Village located in Rajasthan, where in 2006 an initiative was started, in which 111 trees are planted every time a girl child is born. 4
- To keep termites away from the trees the villagers have planted 2.5 million Aloe Vera plants around the trees. This has turned the village into an oasis, as the planting of trees led to higher water levels.
- Aman decided to visit the village to start a business unit, for the processing and marketing of Aloe Vera into juices, gels and other products.
- However, on visiting the village Aman found that the villagers were suffering exploitation at the hands of local merchants who were engaged in unscrupulous, exploitative trade practices like hoarding and black marketing of food products and also selling unsafe, adulterated products to the villagers.
- After looking at their plight instead of a business organisation he decided to set up an organisation for the protection and promotion of the consumer interest of the villagers. State the functions that the organisation established by Aman will be performing.
- 19 Give the meaning of 'Investment' and 'Dividend' decisions of financial management. 4
- 20 Mega Ltd. was manufacturing water-heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase the revenue, the company analysed the reasons of less revenue. After analysis the company decided 5

- (i) to reduce the labour cost by shifting the manufacturing unit to a backward area where labour was available at a very low rate.
- (ii) to start manufacturing solar water-heaters and reduce the production of electric water-heaters slowly.
- This will not only help in covering the risks, but also help in meeting other objectives too.
- (a) Identify and explain the objectives of management discussed above.
- (b) State any two values which the company wanted to communicate to the society.
- 21 Giving any four points, explain the impact of government policy changes on Business and Industry. 5
- 22 Business of 'Shardha Auto Pvt. Ltd.' is confined only to one state. Now it intends to extend the same to two other states. Mr. Jatin Jain, the managing director of the company, is busy in making a plan to this effect. First of all, he contacted Mrs. Rukmani Devi Rana, the H.R. Manager of the company. Both were of the opinion that they would require 75 more employees to extend their business to two new states. On looking at the record of the existing employees, it transpired that 8 employees were going to retire very shortly. Besides, two employees were proceeding on long-term study leave abroad for two years. Thus, company would now require 85 employees in all. Mrs. Rana recommended to Mr. Jatin that out of the total vacant posts, 15 be reserved for women. Mr. Jain gladly accepted the proposal. Now, H.R. Manager was to decide as to what arrangement to be made for the appointment of needed persons. She hit upon a plan. According to this plan some employees would be recruited with the help of existing employees, for some other internet would be approached and for the remaining potential employees placement agencies operating in the market would be contacted.
- (a) Describe what function of management has been referred to in the above paragraph?
- (b) What sources of recruitment are being used by H.R. Manager? Explain briefly.
- 23 An auto company C Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower priced models for mass consumers who are price sensitive. For quality conscious consumers, the company is introducing new models with added features and new technological advancements.
- Questions
1. Prepare a model business plan for C Ltd. to meet the existing challenge. You need not be very specific about quantitative parameters. You may specify which type of plan you are preparing.
 2. Identify the limitations of such plans.
 3. How will you seek to remove these limitations?
- 24 Principles of Taylor and Fayol are mutually complementary. One believed that the management should scientifically select the person and the work assigned should suit 6

his/her physical and intellectual capabilities, while the other suggested that the work can be performed more efficiently if divided into specialised tasks.
Identify and explain the principles of Fayol and Taylor referred to in the above para.

25 Explain the following functions of marketing :

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- (i) Marketing Planning
- (ii) Product designing and development
- (iii) Pricing of products
- (iv) Standardisation and Grading
